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Testimony Before the U.S. Senate Committee on Indian Affairs

April 21, 1999

Mr. Chairman, Senator Inouye, and Members of the Committee, I am Phillip Singerman, Assistant Secretary for Economic Development at the Department of Commerce. Secretary Daley thanks you for this opportunity to appear before the Committee on Indian Affairs to discuss economic development initiatives by the Department of Commerce to assist Native American and Alaska Native communities. The Secretary asked me to convey the Commerce Department's commitment to activities on behalf of Native Americans, and I am pleased to represent the Department this morning.

The Economic Development Administration (EDA) was established under the Public Works and Economic Development Act of 1965 to generate jobs, and stimulate industrial and commercial growth in economically distressed areas of the country. EDA assistance is available to rural and urban communities experiencing high unemployment, low income, or other severe economic distress. We work in partnership with other federal agencies, state and local governments, regional economic development districts, public and private non-profit organizations, and Indian tribes to develop and implement their revitalization strategies.

In adhering to this mission, EDA has a thirty-year history of providing federal assistance to Native American and Alaska Native communities, finding these to be among the highest in distress in the country. We have cultivated a strong working relationship with Native American tribes over the years, working with communities to identify priorities and implement strategies for

self-empowerment, job growth, and commercial investment. In fact, since Fiscal Year 1993, EDA has funded 453 Native American and Alaska Native projects totaling over \$53.1 million. Of this amount, over \$35.6 million were for public works and technical assistance grants. The remaining dollars were for EDA planning grants. We believe that our record is a good one, and we remain committed to aggressively targeting program dollars to these areas of highest distress.

EDA also provides funding to over sixty tribes or tribal organizations through our planning program. The planning program, among other things, supports the formulation of economic development in Indian country and the retention of full-time permanent jobs for unemployed and underemployed Native Americans and Alaska Natives.

On August 6, 1998, President Clinton directed the Department of Commerce, the Department of the Interior, and the Small Business Administration to develop, in consultation with other interested parties, including governments, a strategic plan for coordinating existing Federal economic development initiatives for Native American and Alaska Native communities. On December 17, 1998, these agencies presented a report to the President. This report noted that one of the most important factors for successful economic development in Indian country is the ability to access information and assistance. More detailed information is available in the attached document, which we submit for the record.

As a critical component of that initiative, the Department of Commerce was charged with assessing the technology infrastructure needs of American Indian and Alaska Native communities. This study, funded by EDA, is being performed by researchers at New Mexico State University, with a target completion date of June 15, 1999. In order to provide an interim report on the study, two New Mexico State University researchers, accompanied by EDA staff, briefed a

number of your committee staff on April 2, fielding questions and disseminating information. We will ensure that the Committee is provided with copies of the completed study. Our hope is that the findings of this comprehensive report will generate positive action at the federal level.

EDA is also examining the unique criteria surrounding successful reservation economic development through a study entitled, "Effective Economic Development Practices in Native American Economic Development." Through the study, successful projects will be utilized as case studies to develop models and facilitate improved economic development practices. The National Congress of American Indians (NCAI) is conducting the research under an EDA grant approved in September 1998.

Another EDA-funded initiative of 1996 produced a comprehensive directory of American Indian Reservations and Trust Areas, a vital tool for economic developers and commercial investors in Native American communities. This document is available on the EDA Web site.

I would also call your attention to the attached document outlining other Department of Commerce Native American and Alaska Native programs, particularly the Global Diversity Initiative (GDI) of the United States and Foreign Commercial Service (USFCS), focused on increasing the number of minority-owned firms exporting their products and services abroad. I am accompanied today by Marcia Warren, with the USFCS, who is a member of the Santa Anna Pueblo Tribe.

To briefly highlight other Commerce initiatives:

- The Minority Business Development Agency (MBDA) has established the Office of Native American Programs (NAP), which consists of eight Native American Business Development Centers (NABDCs) and a Native American Business Consultant (NABC) to provide management and technical assistance to the Native American business community.

- In 1995, Commerce and the American Indian Science and Engineering Society (AISES) signed a Memorandum of Understanding which provides the cooperative framework for the Commerce/AISES “Project Partnership Program.” Administered by the National Oceanic and Atmospheric Administration (NOAA), the AISES Program helps to increase the educational opportunities offered by Commerce for AISES students.
- The Telecommunications and Information Infrastructure Assistance Program (TIIAP) provides matching grants on a competitive basis to non-profit institutions, and state, local and tribal governments so they can acquire and use advanced, modern communications and information technology to improve their communities. TIIAP, administered by the National Telecommunications and Information Administration (NTIA), has funded 18 model tribal projects since 1994.
- NTIA’s Public Telecommunications Facilities Program (PTFP) provides matching grants to non-profit entities for the planning, construction, and replacement of outdated public radio and television equipment, serving more than forty tribal communities throughout the United States.
- The Patent and Trademark Office (PTO), in consultation with tribal organizations, is exploring the possibility of conducting workshops to aid Native Americans in protecting intellectual property through a patent or trademark.
- The Tourism Industries office in the International Trade Administration (ITA) is co-sponsoring with private industry the American Pathways 2000 program, a component of First Lady Hillary Rodham Clinton’s Millennium Program. American Pathways 2000 encourages the development of tour itineraries in the United States that will highlight diverse cultures and heritages of this country, including Native American cultures.

Under the leadership of Secretary Daley and Secretary Brown, the Department of Commerce has consistently brought forward strong programs and initiatives to aid in the financial growth and development of Native American communities. Such programs will continue to be a priority in the future, and the Commerce Department remains committed to these efforts. After a careful review of S. 401, the Native American Business Development, Trade Promotion and Tourism Act of 1999, the Commerce Department has concluded that the agency bureaus cited above are currently fulfilling the goals and objectives of the legislation. We look forward to

working with you in identifying areas of need in Indian Country that can be addressed within the authorities and jurisdictions of the bureaus of the Commerce Department.

Thank you again for this opportunity. Marcia Warren and I would be pleased to respond to any questions.

**Department of Commerce
Native American and Alaska Native Programs and Initiatives**

Prepared for
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EXECUTIVE MEMORANDUM

On April 29, 1994, President Clinton issued an Executive Memorandum to all Executive Departments and Agencies directing them to engage in continuing government-to-government relations with federally recognized tribal governments. The April 29, 1994, Executive Memorandum is based on the unique historical and legal relationship with Native American tribal governments as set forth in the Constitution of the United States, treaties, statutes, executive actions, and court decisions. The Executive Memorandum clarifies the trust responsibility of the Federal government of the United States to ensure that the Federal Government operates within a government-to-government relationship with federally recognized Native American tribes. When executive actions will affect government or treaty rights of Indian tribes or tribal trust property, the Executive Memorandum requires the responsible Department or Agency to consult with tribal governments concerning the impact of the federal action to the greatest extent practicable and permitted by law, in order to ensure government-to-government relations with Indian Country.

On August 6, 1998, President Clinton directed the Department of Commerce, the Department of the Interior, and the Small Business Administration to develop, in consultation with other interested parties, including governments, a strategic plan for coordinating existing Federal economic development initiatives for Native American and Alaska Native communities. On December 17, 1998, these agencies presented a report to the President, which we submit for the record. This report noted that one of the most important factors for successful economic development in Indian country is the ability to access information and assistance.

Another component of the plan was to create a Native American Economic Development Access Center, to be located at the Bureau of Indian Affairs at the Department of Interior, to provide Native American callers access to information about federal programs for economic development. This Access Center was designed, in part, to address the concerns contained in the Native American Business Development, Trade Promotion and Tourism Act. The agencies are currently in the

planning stages of the implementation of this Access Center.

U. S. DEPARTMENT OF COMMERCE POLICY ON AMERICAN INDIANS AND ALASKA NATIVES

On March 30, 1995, Secretary Ronald H. Brown signed the first Departmental policy concerning American Indians and Alaska Natives. The policy:

- Recognizes Indian tribes' inherent sovereignty and right to self-government;
- Acknowledges the federal trust responsibility;
- Commits to a government-to-government relationship;
- Directs components to consult with and remove impediments to working with Indian tribes; and,
- Promotes economic development and self-sufficiency for Indian tribes.

On June 5, 1997, Secretary Daley and Secretary of the Interior Bruce Babbitt signed the Secretarial Order entitled, "American Indian Tribal Rights, Federal-Tribal Trust Responsibilities, and the Endangered Species Act". The Secretarial Order clarifies the responsibilities of the Commerce and Interior Departments when the implementation of the Endangered Species Act affects Indian lands, tribal trust resources, or the exercise of tribal rights.

DEPARTMENT OF COMMERCE ACTIVITIES IN INDIAN COUNTRY

Economic Development Administration (EDA)

EDA which was established in 1965 provides a series of building block tools for promoting economic development in distressed areas. EDA has an established history of focused assistance to Indian Country. Assistance intended to promote self-sufficiency through the local identification and implementation of strategic priorities that create jobs and promote investment by the private sector. EDA assistance and efforts on behalf of Indian Country include planning assistance, research studies, and implementation grants.

Planning Program

The EDA planning program, among other things, supports the formulation of economic development programs for Native Americans. The planning program helps create and retain full-time permanent jobs and income, particularly for unemployed and underemployed Native Americans. Over sixty tribes or tribal organizations are currently funded by EDA.

Research (Research and National Technical Assistance)

Pursuant to President Clinton's August 6, 1998 Directive, EDA is conducting a project designed to identify specific technology infrastructure needs in Indian Country, gaps in that infrastructure (including planning gaps), and how those gaps impede new technology development and adoption. EDA has commissioned an assessment of "Technology Infrastructure Needs of Native American and Alaska Native Communities" through a grant awarded in Fiscal Year 1999 to New Mexico State University. The final report is scheduled to be completed in early Summer.

EDA is examining the unique set of circumstances of successful reservation economic development through a study entitled, "Effective Economic Development Practices in Native American Economic Development". From a wide variety of successful economic development practices, the study will determine the principal success factors of projects, document the results in case studies, and disseminate results through publications and conferences, as appropriate. The National Congress of American Indians (NCAI) is conducting the research under an EDA grant approved in September 1998. In October of 1998, EDA co-hosted a session on economic development issues during the winter meeting of the NCAI. The final report will be completed by NCAI in the Fall of 1999.

In 1996, EDA funded a Native American research company to publish a comprehensive directory of American Indian Reservations and Trust Areas for the first time in 24 years. This 700 page document is an important tool for economic developers and potential investors in Indian Country. The document is currently available on the EDA Web site.

Implementation Grants

Since 1993, EDA has awarded 65 implementation grants that total \$35.6 million to Native American and Alaskan Native Tribes or organizations for the implementation of locally identified economic development priorities. Examples include manufacturing plants, water and sewer infrastructure, access roads, construction of technical, trades, training or cultural facilities, and feasibility studies.

International Trade Administration (ITA)

ITA has long-recognized the importance of reaching-out to the traditionally under-served Native American community. The United States and Foreign and Commercial Service (USFCS) is actively engaged with programs and activities to assist Native Americans export their products. This year, USFCS introduced an initiative that forges new pathways between minority-owned businesses and opportunities in the global marketplace. The **Global Diversity Initiative (GDI)** capitalizes on America's diversity through trade by creating comprehensive programs that will:

- Increase the number of minority-owned firms exporting their services and products abroad.

- Expand the capability of minority firms entering international trade.
- Enhance the nation's economy through increased trade by minority firms.

The GDI serves Native American businesses primarily through the nationwide Native American Team comprised of trade specialists from the Western Regional Office. Listed below is a review of some of the USFCS activities in Indian Country since 1994:

- RES'99: Reservation Economic Summit and American Indian Business Trade Fair, Phoenix, AZ, March 10, 1999
- CHIBI99, Milan Italy, January 22-25, 1999
- HUBZones Symposium, Albuquerque, NM, December 2-4, 1998
- Annual NCAI Conference Myrtle Beach, South Carolina, SC, October 18-23, 1998
- 5th Annual Southwest Indian Tourism Conference, Pinetop, AZ, October 13-15, 1998
- CHIBI'98, June 1998
- Tribal and Indian-Owned Enterprises: Global Business Opportunities, April 24, 1997, Albuquerque, NM
- National Indian Business Association (NIBA) Annual Meeting, June 1994
- All Indian Pueblo Council, Inc., Albuquerque, NM
- Southwest Design and Craft Show, Dallas, TX, 1994
- RES '98: Reservation Economic Summit and American Indian Business Trade Show, Denver, CO, April 7-9, 1998
- "Building Partnerships with Native Americans Trade Fair and Conference," Albuquerque, NM

The Tourism Industries Office in the ITA is co-sponsoring with private industry the American Pathways 2000 program, a component of First Lady Hillary Rodham Clinton's Millennium Program. American Pathways 2000 encourages the development of tour itineraries in the United States that will highlight diverse cultures and heritages of this country, including Native American cultures. U. S. tour operators, working with local partners, have submitted tour itineraries that include opportunities to visit and purchase from Native American Tribes. Itineraries that are designated as American Pathways 2000 may display the American Pathways 2000 logo for marketing purposes. Information on the designated itineraries will be included on a Web page operated by private sector partners and made available world-wide.

Minority Business Development Agency (MBDA)

In order to address the unique business needs of Native Americans, MBDA established the Office of Native American Programs (NAP). NAP consists of Native American Business Development Centers (NABDC) and a Native American Business Consultant (NABC). NABDCs and the NABC provide management and technical assistance to the Native American business

community. MBDA recently established the Access to Capital Task Force and the Minority Business Coordinating Council. Representatives from Native American organizations and entrepreneurs are represented on the Task Force and the Council.

National Oceanic and Atmospheric Administration (NOAA)

In April 1995, Commerce and the American Indian Science and Engineering Society (AISES) signed a Memorandum of Understanding which provides the cooperative framework for the Commerce/AISES "Project Partnership Program" (AISES Program). The AISES Program helps to increase employment opportunities at Commerce for AISES students and professionals. Furthermore, the AISES Program helps to increase educational opportunities offered by Commerce for AISES students and other American Indians and Alaska Natives.

National Telecommunications and Information Administration (NTIA)

Through its policy work and grants programs, NTIA is helping to extend the benefits of the Information Superhighway to American Indian and Alaska Native communities. For example, the Telecommunications and Information Infrastructure Assistance Program (TIIAP) provides matching grants to non-profit entities, tribal, state and local government. Since 1994, TIIAP has funded 18 tribal projects that are serving as models within Indian Country.

In addition, NITA's Public Telecommunications Facilities Program (PTFP) is bringing the public broadcasting system to Indian Country by providing matching grants to non-profit entities for the planning, construction, and replacement of outdated public radio and television equipment. PTFP-funded projects currently serve over forty tribal communities throughout the United States.

Patent and Trademark Office (PTO)

PTO, in consultation with tribal organizations, is exploring the possibility of conducting workshops customized for Native Americans on how to protect intellectual property through obtaining a patent or trademark. These workshops could be held in conjunction with the annual AISES conference and other national forums. PTO is also involved in several programs geared toward improving the educational opportunities for Native Americans. From 1994-1996, through its Lakatoa Program, PTO sponsored internships for students attending college on the Pine Ridge Reservation in South Dakota. In 1997, PTO sponsored college students through the AISES Program. In addition, PTO employees sponsor a mentor program for the children of the Piscataway Conoy Confederacy in Maryland.